



**JUNTA DE DECANOS DE
COLEGIOS DE CONTADORES
PÚBLICOS DEL PERÚ**

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“Year of recovery and consolidation of the Peruvian economy”

Lima, Feb 28, 2025

LETTER N° 038-2025-JDCCPP/CD.

MR. IAN CARRUTHERS

Chairman,

International Public Sector Accounting Standards Board IPSASB,

The International Federation of Accountants,

277 Wellington Street West,

Toronto, Ontario M5V 3H2 CANADA

Re: Comments on the ED 1 Climate-related Disclosures

Dear Ian Carruthers,

Receive a cordial greeting and thanks for the support of the IPSASB. We are pleased to provide comments on the “ED 1, Climate-related Disclosures” issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC). Our comments on the aforementioned Exposure Draft are attached to this letter.

If you need any additional clarification, do not hesitate to contact us through the email juan.aranibar1@unmsm.edu.pe with Prof. Juan Francisco Aranibar Romero, Chair of the Government Accounting and International Public Sector Accounting Standards National Technical Committee of our represented Board of Deans of Colleges of Public Accountants of Peru.

Thanking you,

Yours sincerely,



Wendy July Allauca Castillo
Chair

*Board of Deans of Colleges of
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Comments on the ED 1 Climate-related Disclosures

***Specific Matter for Comment 1: Public sector operations and regulatory role
(paragraphs 1-4):***

This Exposure Draft requires a public sector entity to provide disclosures about (i) the climate-related risks and opportunities that are expected to affect its own operations, and (ii) climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes (see paragraphs 3 and AG2.7–AG2.8).

Do you agree the proposed approach meets the information needs of primary users (see paragraphs 1– 4)? If not, what alternative approach would you propose and why?

Opinion:

We agree with the proposed approach as it enhances transparency and accountability in the public sector by requiring entities to disclose climate-related risks and opportunities affecting their operations, as well as the outcomes of public policy programs under their responsibility.

Considerations:

- The proposed disclosures provide essential information for decision-makers, including policymakers, oversight bodies, and the general public, ensuring that climate-related financial risks and policy effectiveness are clearly communicated.*
- The approach aligns with global sustainability reporting frameworks such as those established by the TCFD and IPSASB, promoting consistency and comparability across jurisdictions.*
- Public sector entities may face difficulties in gathering and reporting the required data, particularly in jurisdictions with limited technical capacity or resources. Ensuring clear guidance and phased implementation could facilitate compliance.*

Conclusion:

The proposed approach effectively addresses the need for transparency regarding climate-related financial and policy impacts, meeting the information needs of primary users. However, practical challenges related to data availability, reporting frameworks, and implementation costs should be carefully considered.



Recommendations:

- *Introduce a transitional period to allow entities to develop the necessary systems and expertise.*
- *Encourage consultation with key stakeholders, including regulators and financial authorities, to ensure the feasibility and usefulness of disclosures.*
- *Align the proposed disclosures with established climate-related reporting standards to reduce redundancy and enhance comparability.*

Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)

The Exposure Draft primarily aligns disclosure requirements about an entity's own operations with private sector guidance (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures), with public sector guidance, including a rebuttable presumption that entities use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), unless another established method of measuring its greenhouse gas emissions is more appropriate or required by a jurisdictional authority (see paragraph AG1.72).

Do you agree with the proposed approach and guidance? If not, what alternative approach would you propose and why?

Opinion:

We agree with the proposed approach, as aligning public sector disclosure requirements with established private sector standards enhances comparability, transparency, and consistency in sustainability reporting. The use of the GHG Protocol as a default methodology provides a globally recognized framework for measuring greenhouse gas (GHG) emissions.

Considerations:

- *Aligning public sector disclosures with IFRS S1 and S2 facilitates comparability between public and private entities, improving stakeholders' ability to assess climate-related risks and financial implications.*
- *Allowing entities to use alternative methodologies when required by jurisdictional authorities ensures adaptability to local regulatory and operational contexts.*
- *Public sector entities, especially in developing economies, may face challenges in adopting private sector standards due to limited technical expertise and financial resources.*
- *While private sector standards are useful benchmarks, public entities have unique mandates and objectives that may require tailored reporting guidelines.*



Conclusion:

The proposed approach effectively balances global alignment and public sector-specific considerations by adopting widely recognized private sector frameworks while allowing flexibility for jurisdictional requirements. However, implementation challenges may arise, particularly for resource-constrained public entities.

Recommendations:

- *Provide technical assistance and capacity-building programs to help public sector entities adopt the GHG Protocol and related disclosure requirements.*
- *Develop supplementary guidelines tailored to the public sector's unique operational and policy contexts.*
- *Introduce a gradual implementation timeline to allow entities to develop the necessary capabilities for compliance.*
- *Encourage coordination with regulatory bodies, standard-setting organizations, and jurisdictional authorities to ensure a practical and effective reporting framework.*

Specific Matter for Comment 3: Scope of Public Policy Programs (paragraph 3 and AG2.4–AG2.6)

This Exposure Draft requires disclosures about public policy programs with a primary objective to achieve climate-related outcomes. Do you agree with this approach and the scope of public policy programs included in required disclosures? If not, what alternative approach would you propose and why?

Opinion:

We agree with the proposed approach and the scope of public policy programs included in the required disclosures, as it enhances transparency, accountability, and informed decision-making regarding climate-related public initiatives.

Considerations:

- *disclosures on public policy programs ensures that stakeholders, including citizens and investors, can evaluate the effectiveness of climate-related initiatives.*
- *The approach aligns with global sustainability reporting frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD), enhancing comparability between public and private sector climate disclosures.*
- *The inclusion of programs with a primary objective of achieving climate-related outcomes is appropriate, as it focuses disclosures on initiatives with direct environmental impact.*



- *Public sector programs often operate within complex policy environments where multiple factors influence outcomes, making it difficult to isolate the direct effects of a specific program.*

Conclusion:

The proposed disclosures provide valuable insights into public sector climate initiatives. However, additional clarification on measurement methodologies and reporting consistency would enhance the effectiveness of these disclosures.

Recommendations:

- *Encourage disclosures on indirect climate-related impacts of broader public policy initiatives, such as infrastructure projects and economic policies.*
- *Require regular updates on program effectiveness, enabling continuous improvement and adaptation to emerging climate challenges.*
- *Provide training and resources to help public sector entities develop the skills necessary to conduct meaningful climate-related program evaluations.*

Specific Matter for Comment 4: Public Sector-Specific Definitions (paragraph 7)

This Exposure Draft provides public sector-specific definitions and related guidance for:

- (a) Public policy programs;*
- (b) Public policy program outcomes; and*
- (c) Climate-related public policy programs.*

Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?

Opinion:

We agree with the proposed public sector-specific definitions and guidance, as they provide clarity and ensure consistency in the reporting of climate-related public policy programs.

Considerations:

- *The definitions distinguish public policy programs from private sector initiatives, recognizing the unique role of governments in addressing climate change.*
- *The guidance aligns with global sustainability standards while considering the specific nature of public sector programs.*
- *Some public sector entities may face difficulties in assessing and quantifying program outcomes due to data limitations and varying jurisdictional requirements.*



- *Climate-related public policy programs may intersect with broader economic, social, and environmental policies, requiring clear distinctions to avoid ambiguity in disclosures.*

Conclusion:

The definitions and guidance provide a solid foundation for public sector climate-related disclosures. However, additional refinement may be necessary to enhance applicability across different jurisdictions and policy contexts.

Recommendations:

- *Ensure definitions align with global sustainability frameworks while considering jurisdiction-specific factors.*
- *Allow for contextual adaptations while maintaining consistency in reporting requirements.*
- *Define clear boundaries between climate-related programs and broader public policy initiatives to avoid redundancy in disclosures.*

Specific Matter for Comment 5: Strategy for Climate-related Public Policy Programs (paragraphs 12 and AG2.24–AG2.31)

This Exposure Draft proposes disclosure requirements about an entity's strategy for climate-related public policy programs which include information that enables primary users to understand the entity's strategy and decision-making, anticipated challenges to achieving intended outcomes and financial implications of the climate-related public policy program.

Do you agree that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users? If not, what alternative approach would you propose and why?

Opinion:

We agree that the proposed disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users, as they enhance transparency, accountability, and decision-making.

Considerations:

- *The proposed disclosures provide insights into an entity's strategic approach, decision-making processes, anticipated challenges, and financial implications, which*



are essential for evaluating the effectiveness of climate-related public policy programs.

- The requirements align with existing sustainability reporting frameworks, ensuring comparability with private sector disclosures while addressing public sector-specific concerns.*
- Some entities may face difficulties in quantifying financial implications and assessing the long-term effectiveness of their strategies due to uncertainty in climate policies and evolving regulatory frameworks.*
- While the Exposure Draft outlines key disclosure elements, additional guidance on measuring and reporting financial impacts could enhance the reliability and consistency of the information provided.*

Conclusion:

The proposed disclosure requirements are well-structured and provide essential information for primary users. However, further refinement in the guidance could improve their practical implementation and ensure consistency across jurisdictions.

Recommendations:

- Include examples or case studies to illustrate how public sector entities can effectively disclose their climate-related strategies and challenges.*
- Align strategy disclosures with measurable performance indicators to enable stakeholders to track progress over time.*
- Allow for flexibility in reporting to accommodate differences in policy frameworks, resource availability, and governance structures.*

Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs (paragraphs 26–27 and AG2.34–AG2.44)

This Exposure Draft proposes to require disclosures about metrics and targets, including (a) the change in greenhouse gas emissions reasonably attributed to climate-related public policy programs and (b) other metrics to measure and monitor performance in relation to climate-related public policy programs.

Do you agree these disclosures meet the information needs of primary users of the report (see paragraph 26)? If not, what alternative approach would you propose and why?



Opinion:

We agree that the proposed disclosures on metrics and targets, including greenhouse gas (GHG) emissions reductions and other performance indicators, meet the information needs of primary users. These disclosures enhance transparency and accountability in assessing the effectiveness of climate-related public policy programs.

Considerations:

- By requiring entities to disclose changes in GHG emissions and other performance metrics, the Exposure Draft ensures that stakeholders can evaluate the impact and efficiency of public sector climate policies.*
- The requirement aligns with existing sustainability reporting frameworks (e.g., GHG Protocol, IFRS S2) and promotes consistency across public and private sector disclosures.*
- Accurately attributing GHG emission reductions to specific public policy programs may be complex due to multiple influencing factors, such as economic conditions and external regulatory changes.*
- To improve comparability, clear methodologies for measuring and reporting emissions reductions and performance metrics should be provided.*

Conclusions

The proposed approach effectively addresses primary users' information needs by ensuring transparency in climate-related public policy programs. However, additional guidance on attribution methodologies and performance measurement could strengthen the reliability of the disclosures.

Recommendations:

- Provide detailed methodologies to help entities isolate and attribute GHG emissions reductions specifically to public policy programs.*
- Establish a common set of indicators to ensure consistency in monitoring and evaluating program effectiveness.*
- Allow flexibility for sector-specific metrics that reflect the unique impacts of different climate policies.*
- Recommend third-party verification or assurance mechanisms to enhance the credibility of reported metrics.*



Specific Matter for Comment 7: Conceptual foundations (paragraphs B2–B15):

This Exposure Draft includes conceptual foundations aligned with the IPSASB Conceptual Framework including the definition of materiality (see paragraphs B8–B10) and primary users of public sector general purpose financial reports (see paragraphs B.AG28–B.AG33).

Do you agree that the proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures? If not, what alternative approach would you propose and why?

Opinion:

We agree that the proposed definition of materiality, as aligned with the IPSASB Conceptual Framework, meets the information needs of primary users for climate-related disclosures. This alignment ensures consistency in reporting and enhances the relevance and reliability of disclosed information.

Considerations:

- The IPSASB Conceptual Framework provides a well-established foundation for public sector financial reporting, ensuring that materiality considerations remain relevant and applicable to climate-related disclosures.*
- The definition of materiality focuses on information that could influence primary users' assessments of an entity's climate-related risks, opportunities, and policy effectiveness. This approach supports informed decision-making by public sector stakeholders.*
- Materiality in the context of climate-related disclosures may require additional sector-specific considerations, particularly in assessing long-term environmental and societal impacts.*
- Ensuring a consistent application of materiality across jurisdictions and entities may be challenging due to differences in regulatory environments and public policy objectives.*

Conclusion:

The proposed definition of materiality appropriately aligns with the IPSASB Conceptual Framework and meets primary users' needs. However, additional guidance on assessing materiality in the context of climate-related disclosures could enhance comparability and applicability.



Recommendations:

- *Provide specific guidance on how public sector entities should assess materiality for climate-related risks and opportunities, considering both financial and non-financial impacts.*
- *Encourage a forward-looking approach to materiality assessments that considers long-term environmental and societal effects.*
- *Develop sector-specific examples to assist public sector entities in applying materiality criteria consistently across different policy and operational contexts.*
- *Recommend that entities engage with stakeholders, including regulators and civil society, to refine materiality assessments based on public interest and sustainability objectives.*

Specific Matter for Comment 8: General requirements (paragraphs B16–B46)

This Exposure Draft includes general requirements aligned with private sector guidance (IFRS S1) including the requirements for (a) an entity to include its climate-related disclosures in its general purpose financial reports (see paragraphs B22–B25) and (b) an entity to report its climate-related disclosures at the same time as its related financial statements (see paragraphs B26–B31).

Do you agree that the disclosure requirements proposed in the general requirements are appropriate for public sector entities? If not, what alternative approach would you propose and why

Opinion:

We agree that the proposed disclosure requirements in the general requirements, which align with IFRS S1, are appropriate for public sector entities. Requiring climate-related disclosures within general purpose financial reports and ensuring timely reporting alongside financial statements enhances transparency, accountability, and comparability.

Considerations:

- *Aligning public sector disclosures with IFRS S1 improves consistency across sectors, facilitating comparability and coherence in financial and sustainability reporting.*
- *Integrating climate-related disclosures with financial reports ensures stakeholders, including policymakers and the public, receive comprehensive information for decision-making.*



- *Public sector entities may face implementation challenges due to resource constraints, data availability, and the need for capacity-building in climate-related reporting.*
- *Requiring simultaneous reporting with financial statements may be challenging for some entities, particularly those with complex climate data collection and verification processes.*

Conclusion:

The proposed disclosure requirements are generally appropriate for public sector entities. However, additional guidance and flexibility in implementation timelines may be necessary to accommodate sector-specific challenges.

Recommendations:

- *Develop sector-specific guidance to support public sector entities in integrating climate-related disclosures into financial reports.*
- *Consider a phased implementation approach to allow entities to develop internal capacities and data collection processes.*
- *Promote the use of digital reporting tools to streamline climate-related disclosures and improve accessibility.*
- *Encourage engagement between public sector entities, regulators, and international standard setters to refine disclosure practices and address public sector-specific concerns.*

Specific Matter for Comment 9: Transition (paragraphs 30–33)

This Exposure Draft proposes to provide transitional relief only in the first year of adoption (see paragraphs 30–33) for disclosures relating to an entity's own operations and where applicable, relating to climate-related public policy programs and their outcomes.

Do you agree that the proposed transition provisions approach should be applicable to both own operations and climate-related public policy programs? If not, what alternative approach would you propose and why?

Opinion:

We agree that the proposed transition provisions should apply to both an entity's own operations and climate-related public policy programs. Providing transitional relief in the first year of adoption allows entities to develop the necessary data collection and reporting processes without compromising the overall objective of transparency.



Considerations:

- *Public sector entities may face difficulties in immediately complying with disclosure requirements due to data availability, system limitations, and resource constraints.*
- *Applying the same transition provisions to both own operations and climate-related public policy programs ensures uniformity in reporting, preventing discrepancies in initial disclosures.*
- *The transitional period provides time for entities to build internal expertise and strengthen reporting frameworks, reducing the risk of misstatements or incomplete disclosures.*
- *A one-year transitional relief may still be challenging for some entities, especially those with limited access to historical climate-related data.*

Conclusion:

While the proposed transitional relief is beneficial, a one-year period may be insufficient for all entities, particularly those with complex climate-related programs. A phased approach could enhance compliance while maintaining transparency.

Recommendations:

- *Consider a longer transition period (e.g., two to three years) for entities with extensive public policy programs requiring significant data collection efforts.*
- *Allow entities to provide qualitative disclosures in the first year, followed by more detailed quantitative reporting in subsequent years.*
- *Offer technical support and standardized templates to help public sector entities streamline their transition to full compliance.*
- *Assess the effectiveness of the transition provisions after the first year to determine if further adjustments are needed.*

Specific Matter for Comment 10: Other Comments

Do you have any other comments on the proposed Exposure Draft?

We acknowledge the importance of the proposed Exposure Draft in enhancing transparency and accountability regarding climate-related financial disclosures in the public sector. Overall, the Exposure Draft aligns well with private sector frameworks while considering the unique nature of public policy programs.



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The Exposure Draft effectively integrates IPSASB's conceptual framework and IFRS sustainability standards, ensuring consistency across reporting entities. However, some public sector entities may require additional clarification on how to apply these guidelines in practice.

Many public sector entities may lack the technical capacity, financial resources, and historical data required to comply with the proposed disclosures, particularly in jurisdictions with limited climate-related reporting experience. The Exposure Draft should consider the alignment with national and regional sustainability disclosure frameworks to minimize duplication and reporting burden.

Ensuring the reliability of greenhouse gas (GHG) emissions data and other climate-related metrics is crucial, particularly where entities rely on third-party sources or estimates.

The Exposure Draft is a significant step forward in promoting standardized climate-related financial reporting in the public sector. However, further guidance and support are needed to ensure effective implementation, particularly in resource-constrained environments.

Finally, we request that the aforementioned considerations be evaluated in a way that aligns with the specific needs of the public sector.

Sincerely

Juan Francisco Aranibar Romero

Chair

*Government Accounting and International Public Sector
Accounting Standards National Technical Committee
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